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THE *Demand and Price* SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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SUMMARY

The flow of income to consumers continues relatively stable near record levels, supported mainly by increasing defense activity and business expenditures for new plant and equipment. With generally strong demand for farm products, the index of prices received by farmers has risen gradually since September. Farm production costs also have gone up slightly. Price gains in response to reductions in prospective output of some crops and seasonal price increases for several crops and dairy products more than offset lower prices for meat animals, citrus fruits, corn, chickens and wool in November. As a result, average prices received by farmers rose 2 percent during the month ending November 15.

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ECONOMIC FACTORS AFFECTING AGRICULTURE

Item	Unit or base period	1950		1951				
		Year	Oct.	July	Aug.	Sept.	Oct.	
Industrial production 1/								
Total	1935-39=100	200	216	212	217	219	219	
All manufactures	do.	209	225	222	226	228	227	
Durable goods	do.	237	261	266	267	272	274	
Nondurable goods	do.	187	196	187	193	192	189	
Minerals	do.	148	166	156	165	167	171	
Construction activity 1/								
Contracts, total	1935-39=100	514	521	528	507	479		
Contracts, residential	do.	748	721	730	716	684		
Wholesale prices 2/								
All commodities	1926=100	162	169	179	178	178	178	
All commodities except farm and food	do.	153	162	169	167	167	167	
Farm products	do.	170	178	194	191	189	192	
Food	do.	166	172	186	187	188	190	
Prices received and paid by farmers 3/								
Prices received, all products ..	1910-14=100	256	268	294	292	291	296	
Prices paid, interest, taxes and wage rates	do.	255	261	282	282	282	283	
Parity ratio	do.	100	103	104	104	103	105	
Consumers' price 2/ 4/								
Total	1935-39=100	172	176	186	186	187	187	
Food	do.	204	211	228	227	227	229	
Nonfood	do.	154	157	164	164	165	166	
Income								
Nonagricultural payments 5/	Bil. dol.	206.6	214.3	230.1	231.3	231.8		
Income of industrial workers 3/ ..	1935-39=100	369	405	420	427	430		
Production worker pay rolls 2/....	do.	396	443	450	458	465		
Weekly earnings of factory workers 2/								
All manufacturing	Dollars	59.23	61.99	64.24	64.52	65.45	65.17	
Durable goods	do.	63.19	66.39	68.79	69.68	70.84	70.84	
Nondurable goods	do.	54.66	56.58	58.48	57.95	58.75	57.85	
Employment								
Total civilian 6/	Millions	60.0	61.8	62.5	62.6	61.6	61.8	
Nonagricultural 6/	do.	52.4	53.3	54.6	54.9	54.1	54.2	
Agricultural 6/	do.	7.5	8.5	7.9	7.7	7.5	7.7	
Government finance (Federal) 7/ ..								
Income, cash operating	Mil. dol.	3,538	2,426	2,854	4,600	6,555		
Outgo, cash operating	do.	3,497	3,335	4,843	5,565	4,862		
Net cash operating income or outgo	do.	+ 40	- 909	- 1,989	- 965	+ 1,693		

Annual data for the years 1929-49 appear on page 32 of the April 1951 issue of The Demand and Price Situation.

1/ Federal Reserve Board, construction activity converted to 1935-39 base.

2/ U. S. Department of Labor, Bureau of Labor Statistics.

3/ U. S. Department of Agriculture, Bureau of Agricultural Economics; to convert prices received and prices paid, interest, taxes, and wage rates to the 1935-39 base, multiply by .93110 and .79872 respectively.

4/ Consumers' price index for moderate-income families in large cities.

5/ U. S. Department of Commerce revised figures, seasonally adjusted at annual rates.

6/ U. S. Department of Commerce, Bureau of the Census.

7/ U. S. Department of Treasury. Data for 1950 are on average monthly basis.

The Nation's gross product for the third quarter was at an annual rate of almost 328 billion dollars, about the same as the record second quarter level. Thus aggregate demand for the output of the economy continues relatively stable. Expenditures for defense activities and for related business plant and equipment expansion are largely offsetting reductions in nondefense activities and distributors' inventories. Business capital outlays for new plant and equipment rose 4 percent from the second quarter of the year to a seasonally adjusted annual rate of 26.6 billion dollars for the third quarter. And, business intentions indicate a further rise for the fourth quarter. From the second to the third quarter, government expenditures for defense and related national security programs rose 17 percent to an annual rate of almost 41 billion dollars.

The shift of resources to priority programs is being facilitated by a moderation in consumer demand for goods and services, reduced residential and other private nonindustrial construction, and a reduction in distributors' inventories. Retail sales for the third quarter were about equal to those for the second and 7 percent below the first quarter, after seasonal adjustments. In October retail trade was up about 1.5 percent from September after allowance for seasonal factors. Weekly department store sales in November suggest a slight gain over October. In general, distributors' stocks of goods have been declining for several months with much of the reduction occurring in nondurable goods.

The index of industrial production was unchanged in October as mining activity set a new record, durable goods output remained about the same and production of nondurable goods was curtailed further. Although total employment continues high with only about 1.6 million workers reported as unemployed, the labor market is also undergoing a shift to defense production with some areas experiencing substantial layoffs. Shifts in employment to such defense activities as aircraft, chemicals, and primary metals are in total about offsetting reduced employment in such groups as the textile, leather, and automobile industries.

Production Goals For 1952

Production goals for 1952 aim at a new record agricultural output in response to expanded needs for farm products. If crop goals are attained and the expected high level livestock output materializes next year, total farm production in 1952 should be up around 4 percent. Selective acreage expansion requested in the goals points up the relatively short feed supply and prospects for a continued decline in reserve feed stocks. More potatoes, sweetpotatoes, and dry beans and a 16 million-bale cotton crop were requested in the goals.

In order to encourage farmers to plan for high level production, support prices have been announced for the feed grains, food grains, cotton, soybeans, and flaxseed. In addition wool, milk, and butterfat prices will be supported in 1952 at 90 percent of parity, determined as of the beginning of the marketing year.

Commodity Highlights

Meat production in November was the largest since January, and cattle and hog prices have weakened seasonally. Demand for dairy products continues strong, with butter prices up substantially. Egg prices appear to be at their seasonal high, but production is increasing. Turkey prices are higher than last year, while chickens are at the year's low point. Average prices of fats and oils are below last month and a year ago. Smaller supplies of corn and other feed grains in relation to the numbers of livestock to be fed are resulting in continuing price rises for feeds. Demand for wheat is strong for both domestic consumption and export and prices have risen above the support level earlier than usual this season. Oranges and grapefruit are lower in price than last year. Commercial truck crop production is about 10 percent smaller than last year. Potato prices have risen sharply as crop prospects diminished; sweetpotatoes are relatively scarce and expensive. The estimated supply of cotton for the present marketing year has been revised downward sharply. Wool prices continue substantially below the year-ago level, and domestic consumption is slightly lower. Strong demand for Burley tobacco is indicated as auctioning of the 1951 crop begins.

OUTPUT AND EMPLOYMENT

Industrial production was unchanged during October. Total output of the Nation's mines and factories according to the Federal Reserve Board was 219 percent of the 1935-39 average, the same as in September, and little change is expected for November. This is a fraction above the August level, but still below the peacetime high of 223 reached last April. The index stood at 216 in October of last year.

Offsetting developments in mining and in the durable and nondurable goods industries account for the stability of the over-all index. At 274, the index of durable goods output was up slightly but still below the April level as increased output of defense goods and machinery for defense and related production failed to counterbalance a sharp decline in consumer durables. Automobile production was reduced as manufacturers adjusted to the National Production Authority's fourth-quarter materials allocation limiting car output to about 1.1 million vehicles. Production of other hard goods for consumers recovered part of the summer decline in September and October. Current production levels have been dictated in some instances by material restrictions and in others by distributors' efforts to reduce relatively large inventories. Steel output rose in October and is currently at or near the record level.

Textile production dropped sharply in October, and was only slightly above the relatively low level recorded during July when many plants were closed for vacations. A slight decrease in chemicals and chemical products was attributed to reduction of rayon production and rubber and rubber products output was down. The index for all nondurable goods output was more than 1.5 percent below September, and 6 percent below the January-February record level.

Minerals production set a new record in October as bituminous coal mining picked up. Output of iron ore was down more than seasonally while crude petroleum production advanced slightly. Some decline in petroleum output probably occurred in November because of very large stocks.

The two-year upward trend in-manufacturers' unfilled orders was broken in September. While sales declined an average of 4 percent during the month, new orders were down more than 6 percent, and backlogs slipped about 1 percent to 50.7 billion dollars. Mainly because of cutbacks in automobile shipments, manufacturers' sales of durable goods in September were off relatively more than those of nondurables. New orders for durables placed with manufacturers likewise declined more than those of nondurables. However, the decrease in unfilled orders was largely confined to soft goods as manufacturers' shipments considerably exceeded new orders for nondurable goods. Compared with September 1, 1950, unfilled orders were up 60 percent, total shipments by manufacturers were 4 percent higher while new orders were down 9 percent.

Manufacturers' inventories continued to rise during September, and were about 36 percent above a year earlier. However, the increase of 400 million dollars to 41.0 billion was the smallest advance in recent months and was restricted mainly to defense-goods industries, particularly transportation equipment. Except for a reduction in apparel-manufacturers' stocks, changes in nondurable inventories were minor during the month. Total retail stocks, after adjustment for seasonal factors, were reduced moderately in September.

Total construction expenditures were about 2.7 billion dollars during October, as the value of new construction put in place dipped more than seasonally. Reflecting materials shortages which caused delays in many types of construction, notably basic steel and electric power expansion programs, the October total was 5 percent below September and 3 percent less than in October 1950. Private construction outlays, down 4.8 percent from September to 1,789 million dollars, were running almost 12 percent less than the October 1950 volume. While the change from a year ago is due almost entirely to restricted private nonfarm residential construction, private homebuilding actually moved against the general trend in October this year and rose fractionally. Industrial construction, however, was off 12 percent from September but during the first 10 months of 1951 was more than double that of the same period last year. This emphasizes the scale of business investment in new plants this year.

Public construction outlays totaled 903 million dollars in October, 5.7 percent below September, but one-fifth above October last year. Military and naval facilities, atomic energy plants, and public housing construction, all of which rose from September to October, account for the substantial gain over a year ago in public building, but inability to secure basic materials during October cut educational building 8 percent and highway construction almost 15 percent under September.

Estimated value of new construction will total more than 29 billion dollars during 1951, more than a billion above last year. This represents a substantially smaller volume of work put in place when adjustments are made for price and wage rate increases over a year ago. On October 1, 1951, all construction came under the Controlled Materials Plan. After all materials on hand as of that date are used up, the volume of new construction will be determined almost entirely by availability of structural steel, copper, and aluminum.

About 86,000 new permanent nonfarm dwelling units were started in October, according to ELS estimates, compared with 91,000 in September. Since the total includes a large number of multifamily public housing structures and dwelling units for personnel at military and naval installations, it represents a substantial decline in one-family home construction and demonstrates the increasing influence of credit restrictions on home building. Starts during the first 10 months of 1951 are estimated at 942,500, 22 percent less than during the corresponding period in the record year of 1950, but 11 percent more than during the first 10 months of 1949. However, since July the rate of starts for new permanent nonfarm dwelling units, month-for-month, has been considerably below 1949. While the October decline in housing starts was widespread, it was most pronounced in the Southern and Pacific States.

Total civilian employment during October is estimated at 61.8 million persons, an increase of 256,000 from September. With the exception of July and August of this year, when student employment was seasonally high, this is an all-time record.

Unemployment was virtually unchanged at 1.6 million persons during October, as the estimated civilian labor force rose by about the same amount as employment. Unemployed persons represented only 2.5 percent of the total number at work or seeking work. This is the lowest unemployment rate since the war, and compares with an average of 5.5 percent in 1949, when unemployment was at a postwar high of 3.4 million persons.

Farm employment was reported by the Bureau of Agricultural Economics at 11,720,000 as of late October, more than a million and a half under the harvest-season peak of a month ago. This is the fourth consecutive year that October farm employment has declined from the preceding October, the drop this year being 5 percent from October 1950.

INCOME AND RELATED FACTORS

Personal income interrupted its seven-months upward trend in September, falling slightly to a seasonally adjusted annual rate of 253.3 billion dollars from the August level of 253.7 billion. Salaries, wages, and other labor income continued to rise, and dividends and personal interest were up, but declines in farm proprietors' income and in combined business, professional and rental income more than offset these gains. The level of personal income in September, however, was the second highest in history, and represents a gain of almost 10 percent over September a year ago. The rate of increase in personal incomes slackened early in the spring, and has risen only 2 percent since March.

Disposition of personal income has shifted remarkably since the second post-Korean buying wave ended early this year. As consumers restricted expenditures relative to steadily rising income, personal saving on a seasonally-adjusted annual rate basis rose from 4.3 percent of income after taxes in the first quarter of 1951 to 9 percent in the second quarter, and nearly 10 percent in the third. These rates of personal saving, which represent primarily additions to liquid assets, reduction of indebtedness and net inventory accumulation of unincorporated business, are the highest since the war years when supplies of consumer goods and new construction were severely restricted. Cut-backs in output of some goods, notably home construction and automobiles, stiffer credit-buying regulations, larger stocks and

more confidence on the part of consumers that adequate supplies of consumer goods will be available in the future are major factors behind current high rates of saving. As goods bought in advance are depleted, debts repaid, and reserves rebuilt, expanded holdings of liquid assets along with continued high income will provide a basis for some expansion in consumer expenditures.

Department store sales again turned downward in October. The index, after adjustment for seasonal variation, was 304 (1935-39=100), compared with 312 in September, a decline of more than $2\frac{1}{2}$ percent. On a dollar basis, October sales were more than 4 percent higher than the same month in 1950 but adjustment for price changes above a year ago indicates a small decline in physical volume.

Total retail sales as reported by the Department of Commerce, after adjustment for seasonal factors, were about 1.5 percent greater in October than in September. Sales of nondurable goods, up an average of 1.7 percent, accounted for the greater part of the total increase in sales. Heavy buying at liquor stores, in anticipation of higher excise taxes, swelled sales in the "other nondurable goods stores" group almost 25 percent over September, while apparel sales rose over 4 percent. Sales also increased at durable goods stores with the largest gains registered in the automotive group, and building materials and hardware. The dollar volume of adjusted retail sales this October was almost 4 percent above last October. This gain is made up of a decline of 5.6 percent in durable goods and a rise of over 9 percent in nondurables compared with the same month last year. After adjustment for price increases during the past 12 months, the total physical volume probably declined a little.

Consumer installment debt totaled 13,156 million dollars at the end of September, 112 million more than the amount outstanding a month earlier, but 188 million below a year ago. The increase was divided about evenly among automobiles, other sales credit, and installment loans. This is the first time the volume of short-term debt for purchases of goods other than automobiles has increased this year. Compared with September 1950, automobile installment debt in the same month this year was down 42 million dollars, while other installment sales credit has dropped almost 500 million. Noninstallment credit, at 6,200 million dollars in September, has decreased by 18 million from August, entirely as a result of reductions in charge accounts, but was 215 million above the same month last year. The net change in total consumer credit from August to September was a rise of 94 million dollars to 19,356 million, 27 million above September 1950.

COMMODITY PRICES

The general wholesale price level continues to reflect the relative overall stability which has characterized it during the last several months. At 177.6 (1926=100) during the week ended November 27, 1951, the index was up slightly from the October 30 level. This is 3 percent above the mark on November 28, 1950 and almost 13 percent higher than just before the Korean outbreak. Farm product prices rose sharply from the October 30, 1951 level, as gains for cotton, grains, and milk more than offset declines for livestock. Food prices were virtually unchanged. As higher prices were

recorded for wool yarns, the index of prices for all textile products moved up 1.1 percent to reverse the downtrend which began late last spring, while prices for chemicals and allied products fell by 0.6 percent. Building materials rose slightly and fuel and lighting materials were unchanged. Prices for all commodities other than farm products and food averaged only fractionally higher over the four-week period.

Textile products are the only commodity group currently lower than a year ago, having declined 5.4 percent from late November last year. Farm products are 6.5 percent, and food 7.3 percent, higher. All industrial commodities, mainly as a result of lower textiles prices, now average only 0.6 percent higher.

Average prices received by farmers advanced in November to 301 percent of the 1910-14 average, a two-percent rise from mid-October, when the index was 296. Higher prices for most crops, dairy products, and poultry and eggs more than offset seasonal declines in prices for meat animals. Prices received by farmers for cotton on November 15 were up 13 percent from a month earlier, in response to the downward revision of 1951 crop prospects. Oil-bearing crops prices were up 4 percent, partly in response to prospects for a smaller cottonseed crop. Food grains were up 4 percent, and feed grains and hay brought 2 percent more. "Other vegetables" prices rose 18 percent, and truck crops registered the largest relative increase--46 percent. Seasonally large marketings brought average prices for meat animals down 6 percent. Higher prices for turkeys and eggs are reflected in the one-percent rise in poultry and eggs, but chickens were cheaper. Prices received for wool were down fractionally.

Average prices received by farmers in mid-November were 9 percent higher than a year ago. Crops averaged 7 percent higher, while livestock and products were bringing 11 percent more. Although cotton prices were about the same as in mid-November 1950, food grains were up 11 percent, and feed grains and hay, 17 percent. Contrary to the over-all average, prices for oil-bearing crops averaged 13 percent cheaper and fruit was down 11 percent. The largest relative gain over last year was the 69 percent advance noted for "other vegetables". All livestock and products in mid-November were above last year, except wool, which was down 9 percent. Meat animals, dairy products, and poultry and eggs were bringing 8, 14, and 19 percent more, respectively, this November than last.

The BAE index of prices paid by farmers, including interest, taxes and farm wage rates, advanced one point to 284 (1910-14=100) during November. Higher prices for feedstuffs were largely offset by seasonally lower prices for feeder livestock, but rural living costs rose as food, autos, and auto supplies cost more. The index is currently at its all-time high, 8 percent above the mid-November 1950 mark. The parity ratio (index of prices received divided by index of prices paid including interest, taxes and farm wage rates) rose from 105 in October to 106 in November. It was 105 in November of last year.

Table 1. - Group indexes of wholesale prices, week ended November 27, 1951, with comparisons

Group	(1926=100)						
	: Week	: Week	: Week	: Week	: Week ended November 27		
	: ended	: ended	: ended	: ended	: percentage change from		
	: Nov. 27,	: Oct. 30,	: Nov. 28,	: June 27,	: ended	: ended	: ended
	: 1951	: 1951	: 1950	: 1950	: Oct. 30,	: Nov. 28,	: June 27,
	: 1951	: 1951	: 1950	: 1950	: 1951	: 1950	: 1950
All commodities...	177.6	177.0	172.6	157.4	+ .3	+2.9	+12.8
Farm products ...	197.7	192.1	185.7	165.4	+2.9	+6.5	+19.5
Foods	189.9	189.9	176.9	162.4	0	+7.3	+16.7
All other than							
farm and food...	165.2	165.1	164.2	149.2	+ .1	+ .6	+10.7
Textile products	158.8	157.0	167.8	137.3	+1.1	-5.4	+15.7
Fuel and light-							
ing products :	138.8	138.8	135.6	132.8	0	+2.4	+4.5
Metals and							
products	190.9	190.9	180.4	171.9	0	+5.8	+11.1
Building ma-							
terials	224.7	223.8	219.0	203.7	+ .4	+2.6	+10.3
Chemicals and							
allied pro-							
ducts	139.9	140.7	137.0	114.5	- .6	+2.1	+4.7

Bureau of Labor Statistics.

Table 2. Group indexes of prices received by farmers, November 15, 1951, with comparisons

Group	(1910-14=100)				
	: Nov. 15,	: Oct. 15,	: Nov. 15,	: November 15, 1951 percentage	
	: 1951	: 1951	: 1950	: change from	
	: 1951	: 1951	: 1950	: Oct. 15, 1951	: Nov. 15, 1951
Food grains	249	239	224	+4	+11
Feed grains and hay:	224	219	192	+2	+17
Cotton.....	345	304	346	+13	1/
Tobacco	424	445	428	-5	-1
Oil-bearing crops...	307	296	351	+4	-13
Fruit	172	188	194	-9	-11
Truck crops	249	171	188	+46	+32
Other vegetables ...	244	207	144	+18	+69
All crops	267	247	250	+8	+7
Meat animals	387	410	357	-6	+8
Dairy products	305	294	267	+4	+14
Poultry and eggs ...	249	247	209	+1	+19
Wool	369	370	406	1/	-9
Livestock and					
products	332	340	299	-2	+11
Crops and live-					
stock and products	301	296	276	+2	+9

1/ Less than 0.5 percent decrease.

Average prices paid by urban consumers of moderate incomes rose 0.4 percent during October, as a result of higher food costs and rents. The index was 187.4 percent of the 1935-39 average, having advanced almost 7 percent since October 1950, and 10 percent since just before Korea. The month's rise of almost 1 percent in food prices primarily reflects seasonal factors, while the 0.5 percent increase in rents represents, in part, continuing relaxation of controls in some areas under provisions of amendments to the Defense Production Act. These changes more than offset slight declines in clothing and housefurnishings.

Table 3.- Value of exports of United States agricultural products in specified periods

Period	Cotton : including linters :	Tobacco : unmanu- factured :	Other : agri- cultural :non-foods :	Grain : and prepa- rations :	Other : foods :	Grand total agri- cultural
	Mil. dol	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
<u>1935-39</u>						
Annual average :	318	128	29	95	178	748
<u>1946</u> Total :	538	352	138	796	1,349	3,173
<u>1947</u> Total :	427	271	180	1,881	1,198	3,997
<u>1948</u> Total :	511	215	150	1,715	881	3,472
<u>1949</u> Total :	874	252	257	1,462	733	3,578
<u>1950</u>						
1st quarter :	301	31	61	210	113	716
2nd quarter ::	297	44	60	182	142	725
3rd quarter :	188	80	39	209	117	633
4th quarter :	238	96	87	237	144	802
Total 1950 :	1,024	251	247	838	516	2,876
<u>1951</u>						
1st quarter :	253	49	82	344	163	891
2nd quarter :	263	49	103	446	224	1,085
3rd quarter :	136	89	66	354	183	828

AGRICULTURAL EXPORTS

In the third quarter of 1951 agricultural exports were valued at 828 million dollars, up almost one-third from the 633 million dollars in the same quarter last year. All of the five classes of agricultural exports shown in Table 3 increased in value between the two quarters except cotton and linters, which declined 28 percent. The volume of cotton and linter exports declined even more--almost 40 percent. This reflected a higher value per unit of exports in the third quarter of 1951 than in the third quarter of 1950 even though the market price had fallen between the two quarters. This was made possible by the fact that the cotton exported in the 1951 quarter was of a much better quality than the cotton exported in the 1950 quarter. The decline in the volume of cotton exports in the third quarter this year was largely due to a shorter supply available for

export in the third quarter this year than a year earlier. However, the quantity of cotton exports for fiscal 1951-52 are expected to be larger than in the preceding year. Both the quantity and value of wheat including flour were more than twice as high in the third quarter of this year as in the same quarter a year earlier. These gains were partly offset by decreases in the value of exports of corn, grain sorghums and barley so that the value of exports of all grains and grain preparations rose 69 percent. Among the factors contributing to the increase in wheat and flour exports were the fact that a relatively large part of the 1950 Canadian crop was below export grade, marketing and transportation difficulties were encountered in that country, and there was extra demand from India after July 1, 1951.

FARM INCOME

Farmers received about 30.0 billion dollars from marketings from January through November of this year, or 15 percent more than in the corresponding period of 1950. Receipts from livestock and products totaled around 18.1 billion dollars, 23 percent above last year, mostly because of higher average prices. Receipts from meat animals, dairy products, and poultry and eggs were up about 23 percent, 17 percent, and 30 percent, respectively.

Crop receipts for the 11-month period totaled approximately 11.9 billion dollars, 5 percent more than in 1950, with higher average prices more than offsetting smaller marketings. Receipts from cotton, soybeans, and truck crops were each from 20 to 25 percent above last year, but these gains were partly offset by lower receipts from sorghums for grain, wheat, corn, peanuts, and potatoes.

November receipts are estimated at 4.0 billion dollars, 9 percent less than in October because of seasonally smaller marketings, but 18 percent more than in November 1950 because of both higher prices and larger marketings. Receipts from livestock and products in November were around 1.9 billion dollars, 7 percent less than in October but 19 percent more than in November a year ago. Receipts from meat animals and dairy products were each down from October, but poultry receipts were up because of seasonally larger sales of turkeys. Receipts in all three groups were higher than a year ago.

Crop receipts in November were 2.1 billion dollars, 10 percent below the October peak, but 15 percent above last November. The seasonal decline from October was due principally to soybeans, tobacco, wheat, grapes, truck crops, and rice, notwithstanding significant gains in receipts from cotton, corn, sugar beets, and tree nuts. The large 1951 cotton crop made the largest contribution to the gain in crop receipts over those of a year ago.

LIVESTOCK AND MEAT

Meat production in November was the largest since January, as marketings of all classes of meat animals were at or near seasonal peaks. November output showed a gain over last November largely due to a greater production of pork. Though changing seasonally, meat production is expected to continue above a year earlier this winter and probably throughout most or all of 1952. Civilian meat consumption during 1951 is expected to total about 141 pounds per person. Meat production in 1952 may be large enough to provide for a consumption per person equal to the 1948-50 average of 144 pounds.

Cattle slaughter increased in November and probably reached its seasonal high. The increased number of fed cattle sold for slaughter in recent weeks together with a later-than-usual fall run of grass cattle brought total receipts for slaughter close to last November's numbers. Since January, except for occasional weeks, cattle slaughter has been below a year earlier. With marketings of fed cattle likely to continue high for the season, cattle slaughter in the months ahead may equal or exceed a year before. Calf slaughter also passed its seasonal peak during November. Calf slaughter and veal production probably will decline seasonally during the next 2 or 3 months but may about equal the same months a year previously.

Cattle prices have weakened somewhat in response to larger marketings but are still about in line with the average level prevailing for several months under price ceilings. Larger supplies in prospect may relieve some of the pressure on ceilings but, because of strong demand for meat, will probably cause little if any reduction from current price levels.

Hog marketings are approaching a seasonal peak. Slaughter this year has been above the 1950 level and is expected to continue above a year earlier during this winter and next spring. However, the percentage increase will probably be less than the approximately 10 percent registered in the first 10 months of 1951. Prices of hogs, under pressure of heavy marketings, continued to decline seasonally during early November, but recovered some of the decline later in the month. Hog prices are expected to reach a seasonal low in December and seem likely to rise gradually during the next 2 months in contrast to the sharp rise at the end of 1950.

Slaughter of sheep and lambs in November was somewhat below the same month of last year, as it has been in every month this year except October. But since moderately more lambs will probably be fed this winter, slightly larger slaughter supplies seem likely in the first few months of 1952 than during the same period this year.

Prices of sheep and lambs have shown little change for the past several months, with lamb prices stable at about 10 dollars a hundred pounds below their March peak. Feeder lamb prices are currently above the prices for the same grade of slaughter lambs. Slaughter lamb prices in late November were but little above prices a year ago, and may not show their full usual springtime rise in 1952 because of price ceilings on lamb and mutton.

Numbers of cattle on feed this winter may equal or exceed the record high of last winter. The movement of feeder cattle into the Corn Belt in October was the largest on record. The number from public stockyards during the past few months has been unusually heavy as have direct shipments of cattle.

DAIRY PRODUCTS

Demand for dairy products continues strong. With production of milk and manufactured dairy products declining seasonally, storage stocks are being reduced substantially and dairy markets have been very firm.

So far, butter prices have increased most among dairy products this fall. At 76 cents per pound (Chicago 92-score) in mid-November, it was the highest since August 1948. Wholesale prices for the other major dairy products, likewise, are substantially higher than a year ago, ranging from 12 percent for evaporated milk to 22 percent for cheese and nonfat dry milk solids. The late summer and fall rise for fluid milk was less this year than last but prices continue higher than 1950--the early November price of such milk, at \$5.36 per hundredweight, was 11 percent higher than a year earlier.

In mid-November, the average price received by farmers for whole milk delivered to plants and dealers was \$5.09 per 100 pounds which, adjusted for seasonal variation, is 96 percent of parity, compared with \$4.47 a year earlier. The price for butterfat, at 71.7 cents per pound in mid-November, compares with 63.5 cents a year earlier and was 87 percent of parity. Prices for both products are likely to advance somewhat further before seasonal price declines set in.

Milk production in October was 1 percent less than a year earlier, after running larger in August and September. Total production in January-October was 102.9 billion pounds compared with 103.6 billion pounds in the corresponding months of 1950. A total of 120.6 billion pounds was produced in 1950. Milk production has about reached its seasonal low for 1951 and will rise to a peak next June. The annual rate of milk production is not likely to change materially in the next 6 months at least.

Total consumption of fluid milk and cream continues large, leaving less milk than a year earlier available for manufacturing. Production of butter is slightly smaller than a year earlier, and output of evaporated milk has recently been considerably smaller; but cheese production recently has been about the same as a year earlier.

Stocks of butter and cheese are smaller than last year when the Commodity Credit Corporation still held substantial quantities, but stocks of evaporated milk are near last year's levels. Withdrawals of all items are relatively large.

On November 29, the Department of Agriculture announced that prices of milk and butterfat will be supported at 90 percent of parity as of the beginning of the 1952-53 marketing year which begins on April 1.

POULTRY AND EGGS

Egg prices this fall have held quite steady at a level that is now indicated as about the season peak. While there have been minor price breaks they have not been sharp, and on the whole prices during the months of seasonally short supply have been more nearly stable than in previous years.

Egg prices received by farmers in mid-November were 56.5 cents per dozen, compared with 55.0 cents in September and 55.6 in October as the previous highs this year. Eggs were bringing 45.8 cents in November last year.

Egg production in November probably increased over October, and in the following months egg production on farms will increase further. As increased supplies reach the terminal markets, they contribute to the usual seasonal price declines. Past declines have carried egg prices to a low point which has occurred anywhere from January to June.

Pre-Thanksgiving wholesale turkey prices were mostly higher than a year earlier. The mid-November farm price was 37.9 cents per pound (live) against 35.8 cents a month earlier and 32.6 cents a year earlier.

The spread between the prices of young hens and heavy toms was narrower than last fall when it was unusually wide. This is probably due to the increased availability of turkeys such as the Beltsville Small Whites, which may have attracted some of the consumers who formerly were satisfied by the smaller birds of the larger breeds. However, the number of Beltsville Small Whites on the market this fall was smaller than would be indicated by the increase in production this year since these birds are marketed the year around. More than 60 percent of the turkeys of the larger breeds were intended for slaughter in November and December.

November chicken prices were the lowest so far this year. Seasonally large marketings of turkeys and of farm chickens partially explain the relatively low 23.2 cents per pound (live) average price received by producers in mid-November; on the other hand, broiler marketings were 20 to 25 percent smaller than 3 months ago, and most red meat prices have been sustained.

FATS, OILS AND OILSEEDS

Reflecting seasonally increasing supplies and apparently little change in demand, prices of lard, cottonseed and soybean oils and soap fats declined about 5 to 15 percent from October to November. Prices of drying oils advanced in November with a 10 percent increase in the price of linseed oil. Butter prices advanced seasonally, reflecting reduced supplies. The index of wholesale prices of the 26 major fats and oils (excluding butter) in November was about 175 percent of the 1935-39 average compared with 186 in October, 251 in February, the peak since the outbreak of hostilities in Korea, and 199 in November 1950.

Mid-November prices received by producers for oilseeds were higher than the month before. This mainly reflected the strong demand for oilseed meal, which has resulted in ceiling or near-ceiling prices. Mid-November prices received by farmers were as follows: cottonseed, \$72.70 per ton, about 3 dollars more than in October; soybeans, \$2.77 per bushel, 15 cents more; flaxseed, \$4.10 per bushel, 32 cents more; peanuts, 10.1 cents per pound, slightly less than in October.

It was announced October 31 that prices to growers of 1951-crop tung nuts will be supported at \$67.20 per ton, basis 17.5 percent oil content. Grower-owned tung oil will be supported at 26.5 cents per pound. The support for the 1950 crop was \$63 per ton for the nuts and 25.1 cents per pound for the oil. In both years, the support level is equal to 60 percent of the parity price at the beginning of the marketing year on November 1.

Exports in the October 1950-September 1951 crop year were at a record level, totaling 2,368 million pounds compared with 2,057 million a year earlier. This included 621 million pounds of lard, 748 million pounds of soybean oil and the oil equivalent of soybeans and 507 million pounds of inedible tallow and greases. Exports of fats and oils in 1951-52 again will be large.

A national production goal of 276 million bushels of soybeans for harvest in 1952 has been established. This is about equal to the 1951 indicated production but somewhat below the 1950 record level. Under average yield conditions the 1952 goal would require 13 million acres of soybeans for harvest as beans. This is approximately the same as in 1951 but not quite 300 thousand acres less than the 1950 record acreage. The 1952 crop of soybeans will be supported at a level which will reflect 90 percent of the parity price as of December 1, 1951. This is about \$2.56 per bushel.

The 1952 flaxseed goal has been set at 4 million acres, slightly more than the year before. The goal has been held down to this level because of the urgent need for maximizing production of food and feed grains. The 1952 crop will be supported at \$3.77 per bushel compared with \$2.65 for the 1951 crop.

CORN AND OTHER FEED

Prices of most feeds have advanced in the past 2 or 3 months. The index of prices received by farmers for feed grains in November was at the highest level in over 3 years and the index of wholesale prices of high-protein feeds was the highest in over 2 years. Corn prices have shown very little seasonal weakness this fall, and the mid-November price remained above the 1951 support price of \$1.57 per bushel. Prices of other feed grains have advanced considerably since last summer. In November prices of all the feed grains were above the support level and averaged 18 percent higher than a year earlier. Prices of most of the byproduct feeds also have advanced since last summer, with most of the oilseed meals reaching ceilings. In November, most of the byproduct feeds were con-

siderably higher than a year earlier, with tankage and meat scraps major exceptions. Short feed supplies in the drought areas of the south and the early snow and cold weather have contributed to recent strength in feed prices.

The total supply of all feed concentrates including the grains and byproduct feeds was estimated in November at 176 million tons, about 4 percent smaller than in 1950-51, and about 6 to 10 percent smaller than in the last 3 years in relation to the number of livestock to be fed. The 1951-52 corn supply totals 3,832 million bushels, about 160 million bushels smaller than in 1950. Supplies of other feed grains also are smaller than in 1950-51. Heavy utilization of feed grains in prospect for 1951-52 is expected to result in a reduction in reserve stocks of feed grains during the 1951-52 season.

The total domestic disappearance of corn, oats, and barley during July-September was only 2 percent below the record disappearance in that quarter last year. Corn disappearance was about 5 percent smaller than the very heavy disappearance a year earlier, but 35 percent above the 1943-47 average for the quarter. Oats disappearance also was above average, and a little greater than a year earlier.

Acreage goals recently announced for feed grains in 1952 call for an increase over 1951 of nearly 5 million acres in land planted to the 4 feed grains. The maximum practicable increase in feed grain production is needed to meet increasing demand for livestock products and to maintain reserve feed grain stocks. The corn acreage goal of 89 million acres is 3 million more than were planted in 1951. The acreage goal for barley is 14 percent above the 1951 acreage; sorghum grains (harvested for grain), 3 percent higher; and oats, about the same. The support price for 1952 corn will again be set at 90 percent of the parity price at the beginning of the year.

WHEAT

In every year since the loan program was inaugurated in 1938, wheat prices have advanced to above the loan level. This year the rise occurred earlier than usual. In the three years beginning with 1945-46 prices were above the loan throughout the year, reflecting strong foreign demand. On November 30 the price of No. 2 Hard Winter at Kansas City was \$2.54. This is 10 cents over the \$2.44 gross loan level (17 cents after deduction for storage), and 27 cents above the low of \$2.27 reached on July 25. Prices at St. Louis were 15 cents above the gross loan level and those at Minneapolis were 7 cents above.

The strength in wheat prices this year has resulted from large United States exports and widespread unfavorable harvesting conditions in exporting countries. If sales by producers continue in substantial quantities, together with the completion of Wheat Agreement sales under the United States quota, there will be a tendency for prices to level off.

Through October, farmers had placed 165 million bushels of wheat under loan and purchase programs, compared with 189 million a year earlier. The total quantity from the 1950 crop placed under the programs was 196 million bushels. Farmers have until January 31, 1952 to make application for loans and purchase agreements. Loan repayments were small until late November.

Exports for the 1951-52 marketing year are expected to at least equal 1950-51 when exports were large, amounting to 366 million bushels. Because of a late harvest, and marketing and transportation difficulties, Canada has been unable to move large quantities into export positions before the close of lake navigation. In 1950-51 Canadian exports were reduced because of short supplies of milling-quality wheat as well as transportation difficulties. Export demand will also be diverted to the United States as a result of the near-crop failure in Argentina and the small crop in Australia. The harvests in both of these countries are now in progress.

Prices of high-quality milling wheat are especially strong, because of the smaller percentage than usual of wheat in the higher grades. The quality of both winter and spring wheat was reduced by unfavorable weather at harvest time.

Supply and disappearance as now estimated indicate a carry-over of about 335 million bushels on July 1, 1952. This is about 60 million bushels below stocks as of last July. Supplies are estimated at 1,430 million bushels, consisting of a carry-over of old wheat July 1, 1951 of 396 million bushels, a crop of 994 million, and an allowance for imports of 40 million bushels. Domestic disappearance is expected to total about 730 million bushels, made up as follows, in millions of bushels: Food (continental United States, territories and military), 500; industry, at least 2; feed, 140; and seed, 88. Exports are expected to total about at least as high as the 366 million bushels in 1950-51.

FRUIT

Grower prices for apples and grapefruit are expected to average higher in December 1951 than a year earlier, mainly because of smaller supplies. Prices for oranges probably will be lower than in December 1950, partly because of increased production, while prices for pears may be about the same.

With harvest of apples nearly over, cold storage holdings of apples on October 31, 1951 were about one-fourth smaller than a year earlier. Assuming that about the usual percentages of the stocks will be marketed in November and December, supplies remaining after the first of the year will be considerably under the record stocks of the first of 1951. Hence, the outlook is for prices to rise after January 1, 1952, in contrast to falling prices during the first half of 1951.

Cold-storage holdings of pears on October 31, 1951 were about two-fifths larger than on that date in 1950 and about one-eighth larger than the 1946-50 average for October 31.

Prices for cranberries on the New York City and Chicago wholesale markets are expected to continue considerably higher this fall than last. A lower percentage of the smaller 1951 crop is expected to be marketed fresh, and a higher percentage processed, than was the case with the 1950 crop.

With shipments of new-crop Florida oranges increasing during October and early November, prices on the principal auction markets dropped considerably to levels somewhat under comparable 1950 prices. Although Christmas demand probably will steady orange prices in December, some further decline in prices may occur after the first of the year because of the large crop of Florida early and mid-season oranges.

Auction prices for grapefruit also declined as shipments increased this fall. In late November they averaged only slightly above 1950 prices. Although prices probably will decline as usual after the first of the year, they may continue above the levels of early 1951. The 1951-52 grapefruit crop is about 12 percent below the 1950-51 crop and 20 percent under the 1940-49 average.

Cold-storage holdings of frozen fruits and berries totaled about 384 million pounds on October 31, 1951, about 6 percent larger than on that date in 1950. In addition, about 189 million pounds of frozen orange juice and other fruit juices and purees were in storage. Compared with stocks a year earlier, the stocks of frozen orange juice were about half again as large, but consumption is also higher. Stocks of cherries were about 6 percent larger, and those of strawberries were about 1 percent smaller.

COMMERCIAL TRUCK CROPS

For Fresh Market

Prices received by farmers in November for commercial truck crops grown for the fresh market averaged considerably higher than a year earlier. They probably will again do so in December, as they have in each prior month this year. Aggregate production of 13 crops for fall marketing is estimated as of November 1 to be 10 percent smaller than that of a year earlier, though 8 percent larger than the recent 10-year average. The largest tonnage decreases from last fall are indicated for cabbage, carrots and lettuce. On the other hand, larger fall supplies than last year are estimated for snap beans, cauliflower, celery, spinach and tomatoes.

Looking into the first quarter of 1952 substantially larger supplies than a year earlier are expected for winter fresh market for shallots and spinach, slightly larger supplies for beets and kale, and smaller supplies for cauliflower. Prices received by farmers for shallots and spinach probably will be lower than a year earlier.

For Processing

Factory and retail prices of major canned vegetables in general are slightly higher than a year earlier, reflecting stronger demand. Raw material and processing costs were also higher. Prices are expected to continue at about their present levels through early 1952, with consumption continuing at a high rate. Stocks of canned vegetables are adequate to meet anticipated demand and stocks of frozen vegetables are record large. If the international situation continues about as at present, it is possible that the 1952 pack of canned vegetables will not need to be as large as in 1951. Much will depend upon the rate of movement of stocks into retail consumption channels in the next months.

POTATOES AND SWEETPOTATOES

Prices received by farmers for potatoes have been rising sharply in recent months as successive crop reports indicated a progressive decline in the prospective size of the crop, and as farmers became more and more

optimistic about prices later in the season. As of November 1, the potato crop was estimated at 337 million bushels, 18 percent below average and 24 percent smaller than last year's heavy surplus crop of 439.5 million bushels. Generally reduced acreage, and dry weather in some areas and late blight in other areas were important factors in making this year's crop smaller than last.

The relatively high prices of this season might make some growers forget that any substantial increase in acreage over that planted in 1951 is likely to result in a return to burdensome surpluses and disastrously low prices.

Sweetpotato supplies are relatively scarce and high priced because of the very small crop this year. Some expansion of sweetpotato acreage and production in 1952 seems probable. However, in view of the large labor requirements for this crop, growers may be unwilling to increase sweetpotato acreage if alternative crop opportunities remain as attractive as in 1951.

COTTON

Most recent estimates place the supply of cotton available in the United States at about 18.1 million running bales. The crop estimate for November was smaller than the October estimate by 1,160 thousand bales. The carry-over on August 1, 1952 will probably not be much different from the carry-over a year earlier of 2.2 million bales.

The price of cotton moved up sharply after the reduced crop estimate was issued. The 10 spot market average price for Middling 15/16 inch cotton reached a peak for the current season of 43.43 cents per pound on November 9. The average price received by farmers in November was 41 cents per pound, almost 5 cents above the October price.

Entries into the Commodity Credit Corporation loan have slowed to small proportions. Although 790 thousand bales had been put in the loan by November 21 only 44 thousand bales were reported to have entered the loan during the week ending with this date.

The average daily rate of consumption in October was 36.6 thousand bales, 14 percent below October 1950 and 1 percent below the preceding month. According to trade sources, gray goods markets were more active during November. At the same time mills are reported to have raised their prices for some fabrics above the levels prevailing in October.

The mill margins during October were 37 percent below those of a year ago. This was due to low cloth prices. The prices of fabrics remained at the lower levels during October, but the price of cotton used in the gray goods increased rather steadily.

Exports for August and September were 502 thousand bales. This was 31 percent smaller than for the same period during 1951. The decrease in volume was largely caused by the relatively small volume of cotton available for export at the start of the current marketing year.

The ginnings through October 31 were about the same in grade, but shorter in staple length than for the same period last year. The grade index was 97.1 (Middling White =100) in both years, and the average staple length was 32.7 and 33.1 thirty-seconds of an inch in 1951 and 1950, respectively.

On November 29, the Department announced a production goal of 28 million planted acres and 16 million running bales for the 1952-53 crop year. This production would be slightly above output in the current crop year of 15.7 million bales (November estimate) but planted acreage during the current season was 29.5 million. The price support level for the 1952-53 season was set at 90 percent of the parity price at the beginning of the marketing year.

WOOL

Late in September prices of wool in foreign markets reached the low of a sharp decline which began late in March of this year. Since then wool prices have fluctuated widely. At mid-November, prices at the auctions in the British Dominions were 30 to 35 percent above the September low but were 45 to 50 percent below the peaks of last March.

Prices of domestic spot wool at Boston also reached the low of the decline late in September but have advanced only slightly since then. Quotations for domestic territory fine staple wool for the weeks ending September 21 and November 23 were \$1.70 and \$2.00, respectively.

Prices received by domestic growers for shorn wool at mid-November averaged 65.7 cents per pound, grease basis. This compared with 65.9 cents received the month before and 74.5 cents at mid-November last year. The peak monthly average price this year was \$1.19 in mid-March.

Domestic woolen and worsted mills are consuming apparel wool at a lower rate than last year. During the first 9 months of this year, mills consumed 295 million pounds, scoured basis. This was 9 percent less than was consumed during the same months of last year. Consumption during September, the latest month for which data are available, was at a weekly rate of 6.8 million pounds compared with 8.9 million pounds in September 1950. A decline of 18 percent on the worsted system more than offset an increase of 9 percent on the woolen system.

Consumption of carpet wool during the first 9 months was 80 million pounds, scoured basis, 45 percent less than last year. During September, domestic woolen and worsted mills consumed carpet wool at a weekly rate of only 1.1 million pounds compared with 3.7 million pounds last year. The use of rayon in the spinning of carpet yarns in the wool industry has increased sharply over last year. Over 4 times as much rayon was used in carpet yarns during the first 8 months of this year as during the same months of last year. The quantity of rayon used in this period represented 20 percent of the fiber consumed in 1951 compared with only 3 percent last year.

Imports of dutiable (apparel) wool for consumption during January-September totaled 217 million pounds, clean basis, compared with 193 million last year. The increase reflects the large imports during the first half of the year; imports since June have been substantially below last year.

Imports of duty-free (carpet) wools through September totaled 78 million pounds, clean basis, compared with 183 million pounds last year. Imports during the first half of the year were 45 percent lower than during the same period last year; only one-fifth as much carpet wool was imported during the third quarter of this year as during the same period of last year.

Domestic wool will be price-supported in 1952 at 90 percent of parity, determined as of the beginning of the marketing year.

TOBACCO

On November 27 auctions began for the 1951 Burley crop of about 580 million pounds which is about one-sixth larger than last year. Prices for the first 2 days' sales of nearly 44 million pounds averaged around 54.5 cents per pound--about 10 percent higher than the first sales last season. The demand is expected to continue strong since most Burley is used in cigarettes which will probably continue to be consumed at a record rate in 1952. Tax-paid withdrawals of cigarettes during the first 10 months of 1951 totaled nearly 323 billion -- 5 percent above that of the same period of 1950. The October 1 carry-over of Burley was a little lower than a year earlier, but including this year's crop, the total supply for 1951-52 is 4 percent above that for 1950-51. The 1951 crop support level is 49.8 cents -- 9 percent above the 1950 price support. The season average price received by Burley growers for the 1950 crop was 48.9 cents per pound.

Auctions for Virginia fire-cured (type 21) and sun-cured (type 37) also began in late November, and prices for early sales averaged a little higher than early-season prices last year. Auctions for the Kentucky-Tennessee dark air-cured (type 35-36) will start during the first half of December and prices are expected to average higher than during last season when inferior quality lowered the general averages. This year's crop of Virginia fire-cured is about the same size as last year's, but both the fire-cured and dark air-cured crops in Kentucky and Tennessee are larger than a year ago. The 1951 crop support levels for fire-cured and dark air-cured are 37.4 and 33.2 cents per pound, respectively. Dark air-cured tobacco is used mostly in chewing tobacco while the main domestic outlet of fire-cured tobacco is snuff. These products showed relatively little change in the past year and seem likely to continue fairly stable in the year ahead. Exports of One Sucker (type 35) and Green River (type 36) increased during the past marketing year and were the second largest in the last 5 years. Exports of Virginia fire-cured were about 8 percent smaller in October 1950-September 1951 than a year earlier, but exports of Kentucky-Tennessee fire-cured were well above the previous year's relatively low level.

OFFICIAL BUSINESS

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Flue-cured marketings for 1951 are nearing the end of the season. Through late November, prices averaged 52 cents per pound compared with the record season average of 54.7 cents for 1950. During the first quarter of the 1951-52 marketing year, exports of flue-cured (the major export tobacco) were 9 percent larger than in the corresponding period of 1950-51.

During November the marketing quotas for the 1952 crops of the various kinds of tobacco were proclaimed by the Secretary of Agriculture. The flue-cured and Burley quotas set at 1,357,000,000 and 591,000,000 pounds, respectively, result in individual farm acreage allotments for 1952 about the same as in 1951. The Maryland quota provides for a small reduction in 1952 from this year's acreage--now estimated as being the largest on record. The Pennsylvania cigar filler (type 41) quota also provides for some reduction in next year's acreage. Supplies of both of these types have risen steadily in the last few years. The 1952 quotas for cigar filler and binder (types 42-44 and 51-55), for dark air-cured (types 35-36) and for fire-cured (types 21-23) mean that most individual farm acreage allotments for these kinds would be about the same as in 1951. The Virginia sun-cured (type 37) quota means an increase of about 10 percent in farm acreage allotments. Growers of all the foregoing types except flue-cured, Burley, and Virginia sun-cured, will vote in referenda on December 7: (1) for quotas for 3 years beginning with the 1952 crop, (2) for quotas for 1952 only, or (3) against quotas. Marketing quotas cannot be continued or put into effect unless they are approved by at least two-thirds of the growers voting. Last year, quotas were disapproved by growers of Maryland tobacco and Pennsylvania filler. Growers of flue-cured, Burley and Virginia sun-cured approved quotas for their kinds of tobacco for the 1950, 1951, and 1952 crops in referenda held during 1949. According to applicable legislation, when tobacco quotas are disapproved, price support cannot be made available but when quotas are in effect, price support at 90 percent of parity is mandatory.

